

Funding for the City of Milwaukee Community Block Grant Administration American Dream Downpayment Initiative is provided through the U.S. Department of Housing and Urban Development HOME Program.

EQUAL HOUSING OPPORTUNITY



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American Dream Downpayment Initiative



What is ADDI?



The American Dream Downpayment Initiative (ADDI) is a federally funded downpayment assistance program available through the City of Milwaukee and a Consortium of Housing Counseling Providers. ADDI funds can be used for downpayment, closing costs and, on a limited basis, repairs in connection with a home purchase. The assistance is a forgivable loan and requires no repayment if the homebuyer remains the owner and occupant. The loan is forgiven by 20% each year and is forgiven in full after five years.

Who is Eligible?

Homebuyers who have not owned a home in the last three years are eligible. The homebuyer's total annual household income must fall within the amounts on the table below. Household income will determine the maximum ADDI assistance. Homebuyers must complete a comprehensive Homeownership Education Program with a Housing Counseling Provider. This organization also will assist the homebuyer in the mortgage application process and help the homebuyer address impediments to qualifying for a mortgage loan.

Annual Household Income Limits Maximum ADDI Assistance Guidelines		
SIZE OF HOUSEHOLD	Maximum ADDI Assistance	
	\$ 10,000	\$ 5,000
ANNUAL INCOME		
1 Person	\$ 23,500	\$ 37,650
2 Persons	\$ 26,900	\$ 43,000
3 Persons	\$ 30,250	\$ 48,400
4 Persons	\$ 33,600	\$ 53,750
5 Persons	\$ 36,300	\$ 58,050
6 Persons	\$ 39,000	\$ 62,350
7 Persons	\$ 41,650	\$ 66,650
8 Persons	\$ 44,350	\$ 70,950

For example, if your annual household income is \$30,000 and there are three people total in your household, maximum ADDI assistance would be \$10,000. If your annual household income is \$50,000 and there are four people total in your household, maximum ADDI assistance would be \$5,000.

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What type of Home Can I Buy?

You can buy a single-family or duplex home or a condominium unit. The property can be an existing home or new construction. The home must be located in the City of Milwaukee. The home must meet all City of Milwaukee housing codes and be free of lead paint hazards. The home you wish to purchase must be inspected after you have entered a sales contract. If repairs, including lead abatement, are needed to meet these requirements you may negotiate with the seller to make the repairs and work with the Housing Counseling Provider to secure additional resources or financing to make the repairs.



What About Financing?

Your Housing Counseling Provider will assist you secure financing to purchase your home. Interest rates and terms must be no more than reasonable market rate and terms. When combining ADDI and other assistance programs, requirements of all programs must be met.



Will I Need to Pay a Portion of the Downpayment and Closing Costs?

Yes – All homebuyers using ADDI must pay a minimum of the lesser of \$1,000 or 2% of the sale price toward downpayment and closing costs. Some mortgage finance programs may require more. Homebuyers will not be allowed to get cash back at closing.

How Do I Apply?

The first step in the ADDI application process is to contact a Housing Counseling Provider listed below to begin the required Homeownership Education Training. After completing the education program, the organization will assist you with your application to a lender for mortgage pre-approval. After your loan is pre-approved, the Housing Counseling Provider will certify your eligibility for ADDI. You may then begin to shop for your home. When you have an accepted offer, you will complete an ADDI application with the Housing Counseling Provider. You also must make certain that the home is inspected for compliance with all housing codes and lead risks. The Housing Counseling Provider will refer you to approved inspectors. **It is important that you follow these steps exactly – failure to do so may result in ADDI funds not being available to you.** Your eligibility will be valid for a home purchase in the City of Milwaukee as long as ADDI funds are available.

HOUSING COUNSELING PROVIDERS

Career Youth Development

2601 N. Dr. Martin Luther King, Jr. Drive
Milwaukee, WI 53212
414-264-6888
414-264-5622 fax

United Community Center

1028 S. 9th St.
Milwaukee, WI 53204
414-384-3100
414-649-4411 fax

Hmong/American Friendship Assoc.

3824 W. Vliet Street
Milwaukee, WI 53208
414-344-6095
414-344-6581 fax

Neighborhood Housing Services

535 N. 27th Street
Milwaukee, WI 53208
414-344-3013
414-344-3196 fax

Housing Resources, Inc.

8532 W. Capitol Drive, #222
Milwaukee, WI 53222
414-461-6330
414-461-6320 fax

Lao Family Community, Inc.

2331 West Vieau Place
Milwaukee, WI 53204
414-385-3380
414-385-3386 fax

Select Milwaukee, Inc.

2209 N. Dr. Martin Luther King, Jr. Drive
Milwaukee, WI 53212
414-562-5070
414-562-5072 fax
info@selectmilwaukee.org

Persons with questions about ADDI should direct them in writing to Select Milwaukee, the ADDI Consortium Administrator